Energy Efficiency and Electric Infrastructure in the State of Utah

The simple choice for energy efficiency.

In any given state, there are a range of stakeholders well-positioned to contribute to the design and delivery of effective energy efficiency programming. This factsheet provides an overview of relevant entities in the state of Utah, along with highlights of state policies and practices related to energy efficiency. The entity types described and highlighted below are typically involved in electricity and/or energy efficiency related matters in states. Other important stakeholders such as trade associations, industry, and local businesses are not included as they vary significantly from state to state.

* * *

Electric Market Overview

Electric Utilities
Privately- and publicly-owned electric utilities generate, transmit, distribute, and/or sell electricity primarily for use by the public. These include investor-owned electric utilities, municipal and state utilities, Federal electric utilities, and rural electric cooperatives.[1] The following summarizes electric utilities in Utah by type:

- *Investor-Owned Electric Utilities*: The one and only investor-owned electric utility in Utah is Rocky Mountain Power, a subsidiary of PacifiCorp.
  PacifiCorp: http://www.pacificorp.com/about/or/utah.html
  Rocky Mountain Power: https://www.rockymountainpower.net/index.html
- *Member-Owned (Electric Cooperative):* Utah has 9 distribution electric cooperatives
- *Municipally-Owned/ Publicly-Owned Utilities:* Utah has 15 municipally- or publicly-owned electric systems in the state
- *Federal:* 1 (USBIA-San Carlos Project).
- *Other:* 1 Municipal Marketing Authority; 2 Political Subdivisions[2]

  Electric utility service areas (as available):
  http://publicutilities.utah.gov/map.html

Status of Electric Industry Restructuring
Vertically integrated utilities are responsible for generation, transmission and distribution of power to customers. In the 1990's, many states began to unbundle the electricity supply and distribution functions of investor-owned utilities on the theory that only the wires (the fixed network system) constituted a natural monopoly, while the generation of power did not. In states that have undergone restructuring, individual retail customers can choose their supplier but still receive delivery over the power lines of the local utility.[3]

- Utah does not have a restructured electric industry; investor-owned utility is vertically integrated.
  http://www.eia.gov/electricity/policies/restructuring/utah.html

Regional Transmission Organization (RTO)/Independent System Operator(ISO)
About 60% of U.S. electric power supply is managed by RTOs or ISOs: independent, membership-based organizations that ensure reliability and usually manage the regional electric supply market for wholesale electric power. In the rest of the country, electricity

[1] Source: EIA
[2] Sources: EIA 2013 Form EIA-861 Utility Data (http://www.eia.gov/electricity/data/eia861/) and Public Service Commission (http://www.psc.utah.gov/utilities/electric/index.html)
[3] Source: The Regulatory Assistance Project (RAP)

systems are operated by individual utilities or utility holding companies. RTOs/ISOs engage in long-term planning that involves identifying effective, cost-efficient ways to ensure grid reliability and system-wide benefits. Coordination and cooperation between utilities, state PUCs and RTOs/ISOs is often required to advance energy efficiency goals.[4]

- Utah is not part of an RTO or ISO.

Utility Oversight and Planning

Utility Oversight
Public utility commissions (PUCs) oversee goals, investments, and ratemaking for investor-owned electric utilities. Most of this oversight is conducted via specific regulatory proceedings. Municipally-owned utilities are governed by a local city council or an elected commission, and member-owned/cooperative utilities are governed by a board elected by members. In a few states, PUCs have oversight over some aspects of municipally and member-owned utility performance such as energy efficiency resource standards.[5]

- The primary responsibility of the Public Service Commission is to ensure safe, reliable, adequate, and reasonably priced utility service. It conducts hearings and investigations of utility company operations in order to determine just and reasonable rates for service. Municipal utility companies and cable companies are not regulated by the Commission. http://www.psc.utah.gov/

Integrated Resource/Procurement Planning
Integrated resource plans (IRPs) are utility plans for meeting forecasted annual peak and energy demand through a portfolio of supply-side and demand-side resources over a specified future period. As of early 2015, integrated resource planning is required or present in more than 30 states, including most vertically integrated/non restructured states. In states that are restructured, regulated distribution-only utilities may be required to develop procurement plans to service customers that do not choose a competitive retail supplier. Energy efficiency is considered as a demand-side resource but the degree to which it is included in resource/procurement planning is influenced by other factors including policies such as energy efficiency resource standards or requirements that all cost effective energy efficiency be considered.[6]

- Rocky Mountain Power's Most Recent Integrated Resource Plan (IRP) 2015: http://www.pacificorp.com/es/irp.html
  Rocky Mountain Power's energy efficiency programs and energy savings goals are strongly driven by the IRP process.

Statewide Planning Process
States sometimes undertake executive or legislatively driven statewide energy planning processes. These plans may be completely independent of utilities or may explicitly engage utilities.

- Governor's 10-Year Strategic Energy Plan (updated 2014):
  http://www.naseo.org/Data/Sites/1/documents/stateenergyplans/UT.pdf

Energy Efficiency Potential Studies
Energy efficiency potential studies determine the amount of technical, economic, and achievable potential for energy efficiency in a region, state, or utility service territory. Energy efficiency potential studies may be undertaken by state agencies or energy efficiency advocacy organizations, or by utilities as part of or to inform compliance with a regulatory requirement. The following are recent energy efficiency potential studies:

- PacifiCorp Demand Side Management Potential Assessment for 2015-2034: http://www.pacificorp.com/env/dsm.html
- PacifiCorp Assessment of Long-Term System-Wide Potential for Demand-Side and Other Supplemental Resources 2013-2032:
  http://www.pacificorp.com/content/dam/pacificorp/doc/Energy_Sources/Demand_Side_Management/DSM_Potential_Study/PacifiCorp_DSMPotential_FINAL_Vol%20I.pdf

[4] Source: EPA Energy and Environment Guide to Action
[5] Sources: EPA Energy and Environment Guide to Action and RAP
[6] Source: EPA Energy and Environment Guide to Action

Energy Efficiency Policies/Activities

Statewide Clean Energy Policy/Energy Efficiency Energy Resource Standard(s)
Energy efficiency resource standards (EERSs) require obligated parties—usually regulated retail distributors of electricity—to meet a specific portion of their electricity demand through energy efficiency. As of March 2015, 27 states have some type of energy efficiency requirement or goal.[7]

- Utah does not has a mandatory energy efficiency resource standard.

Current Utility-Administered Energy Efficiency Programs
Energy efficiency is regarded as an important utility resource with co-benefits that include reducing air pollution, saving customers on utility bills, and creating local jobs. While the majority of large-scale energy efficiency programs are funded by utility ratepayers, program administration may be by the utility, the state, an independently awarded program administrator or a combination of entities. Below are available links related to ratepayer-funded energy efficiency programs offered in the state[8]:

- *Program Administrator:* Rocky Mountain Power (RMP): http://www.pacificorp.com/es/dsm/utah.html
  Most recent annual report: RMP does not file comprehensive DSM program plans, but does file DSM annual reports. The most recent report is provided at:
  http://www.pacificorp.com/content/dam/pacificorp/doc/Energy_Sources/Demand_Side_Management/2015/UT_2014-Annual-Report_FINAL042915.pdf
  ENERGY STAR Partner since: 2001

Other Key Stakeholders

State Air Office:

- Utah Department of Environmental Quality: http://www.deq.utah.gov/

State Energy Office:

- Governor's Office of Energy Development: http://energy.utah.gov/

Consumer Advocate(s)
Most states also have one or more consumer advocacy organizations. Consumer Advocates are often concerned with maintaining low rates and ensuring equitable treatment of all customer classes.[9]

- Utah Office of Consumer Services: http://ocs.utah.gov/

Others Public Interest Groups
Groups representing environmental and other public interests are often involved in providing public input or technical expertise during regulatory proceedings or stakeholder processes. The following energy efficiency organizations/nonprofits are active in the state or region:

- Southwest Energy Efficiency Project (SWEEP): http://www.swenergy.org/
- Utah Clean Energy (UCE): https://www.utahcleanenergy.org/

* Revised December 21, 2015. To alert the U.S. EPA of substantial policy changes or program updates, please contact eeaccountmanager@icfi.com

[7] Ibid.
[8] For other energy efficiency program offerings in the state, visit: http://programs.dsireusa.org/system/program?state=UT
[9] Source: EPA Energy and Environment Guide to Action